Ministry of

ECONOMIC DEVELOPMENT

Business Plan

Alberta

GOVERNMENT OF ALBERTA

CANADA

Economic Development

BUSINESS PLAN 2004-07

ACCOUNTABILITY STATEMENT

The Business Plan for the three years commencing April 1, 2004 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of February 27, 2004 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

Mark Norris, *Minister of Economic Development*
March 3, 2004

THE MINISTRY

Our primary clients include: leaders of small and medium enterprises, large organizations, governments, and communities interested in and capable of participating in a globally competitive economy.

Economic Development has department staff in Edmonton and Calgary and in eight regional offices to serve the economic needs of Alberta communities. The Department operates international offices in China (2), Hong Kong, Japan, South Korea, Taiwan, the U.K., Mexico and Germany to facilitate access to international markets, create networks, and generate a positive business climate.

In addition to the Department, the Ministry of Economic Development includes the Alberta Economic Development Authority (AEDA) and the Strategic Tourism Marketing Council (including the Travel Alberta Secretariat). The Ministry also operates the Alberta Film Commission Office which is the central point of contact for film industry investors and producers considering Alberta as a location for film, television, and video production. All of these unique relationships ensure the Department's goals are achieved in partnership with business and industry sectors.

LINK TO THE GOVERNMENT BUSINESS PLAN

Economic Development links closely to *Today's Opportunities, Tomorrow's Promise: A Strategic Plan for the Government of Alberta*, and the vision of a vibrant and prosperous province with strong economic fundamentals. Through *Securing Tomorrow's Prosperity*, a value-added strategy, the Ministry facilitates the development of a growing, diversified and competitive manufactured goods and business services industry.

Economic Development contributes to the Government of Alberta's three core businesses of people, prosperity and preservation, with a primary focus on prosperity and goal 7 of the Government of Alberta business plan:

GOAL 7: ALBERTA WILL HAVE A PROSPEROUS ECONOMY.

Economic Development provides strategic information and planning input for Alberta's economy. The Department facilitates a coordinated approach to address Alberta's economic challenges in collaboration with other government ministries. *Securing Tomorrow's Prosperity* endorses a more diversified and competitive Alberta. The Ministry also has ten sector teams that partner with industry clients and other stakeholders to improve the competitiveness of Alberta's industries. Economic Development has developed Alberta's International Marketing Strategy and targets priority markets for investment attraction, tourism and trade.

VISION

Alberta is the best place in the world to live, visit and do business.

MISSION

To facilitate business and community prosperity.

CORE BUSINESSES

Core Business 1: Strategic Economic Leadership and Business Intelligence

- Goal 1 - Facilitate economic growth and diversification through collaborative strategic planning and policy development
- Goal 2 - Provide client-driven economic and business information and intelligence

Core Business 2: Industry and Regional Development, Trade Promotion and Investment Attraction

- Goal 3 - Increase the growth and competitiveness of Alberta's value-added sectors
- Goal 4 - Increase exports of Alberta value-added goods and services
- Goal 5 - Increase the awareness of Alberta to potential investors in our primary international markets
- Goal 6 - Provide regional economic development support to Alberta communities

Core Business 3: Tourism Marketing and Development

- Goal 7 - Facilitate the growth and expansion of marketable tourism product
- Goal 8 - Increase tourism visitation from targeted Canadian and international tourism markets

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VALUES

We value a facilitative, collaborative and effective team-based approach. We are market, opportunity and client-value driven. We strive to build a leadership team that directs and enables our future success. We foster an environment of entrepreneurship and commitment to learning. We encourage the creation and sharing of information and knowledge among colleagues to enhance our overall effectiveness. We achieve credibility with our clients and each other through competent, consistent, and accountable actions. We value our key product: *the delivery of the right information in the right timeframe to impact industry decision-making.*

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Despite increasing global change, Alberta's economy continues to be in a position of strength with respect to most key economic indicators. Investment levels enjoyed over the past decade have provided Albertans with the most enviable record in Canada in terms of job creation, average family income, standard of living, and low overall tax burden.

Looking ahead, the challenge for Alberta will be to sustain our economic performance and to reduce the risk of economic instability by broadening and diversifying our economic base.

Fiscal discipline has seen the deficit eliminated and the debt has been reduced to a very manageable level. Alberta's overall tax regime is very competitive. Significant cuts in corporate and personal tax rates have been made over the past several years. Alberta businesses also benefit from not having to pay corporate capital taxes, payroll taxes or sales taxes on business inputs as part of our low rate, broad-based tax regime.

IMPORTANCE OF INNOVATION

In an increasingly global economy, innovation is key to keeping ahead of our competitors, and developing new markets, products and services. Alberta cannot simply compete as a low cost business location. A competitive business cost environment is necessary, but not sufficient for creating globally competitive industries.

Alberta's economic success needs to be judged not only by traditional economic indicators, such as GDP and employment, but also by indicators of knowledge creation and innovation. This is because innovation - through investments in research and development, human capital (i.e. education and training) and machinery and equipment - leads to higher levels of productivity and an improved standard of living.

Innovation is essential in all sectors of the economy and a knowledge-based approach does not mean abandoning Alberta's traditional strengths. It means building more value into our traditional goods and services in order to achieve greater returns in the international export market. It is what has driven the development and growth of the oil sands industry in Alberta to become the leading new energy source in North America. Innovation has also been the driver of much of the growth and expansion of the forest products industry, and the development of new functional foods and products in the agri-food industry.

BENCHMARKING ALBERTA'S PERFORMANCE

In a global marketplace, we must compare ourselves with the leading global economies. Benchmarking has been done by Economic Development comparing Alberta with the best in Canada, the United States and Europe. Comparison jurisdictions were chosen on the basis of their strong relative economic and innovation performance, and size and structural similarities with Alberta.

Indicators were selected on the basis of their widespread use in other credible benchmarking exercises, their relevance to performance and innovation, and levels of data quality and availability.

By most economic indicators, Alberta has been Canada's top performer. Even within a broader context, including some of the strongest U.S. and European performers, Alberta has been an above average performer as shown in Chart 1. However, as shown in Chart 2, Alberta's innovation performance lags behind its US and European competitors, as well as other provinces.

Chart 1: Economy has performed well

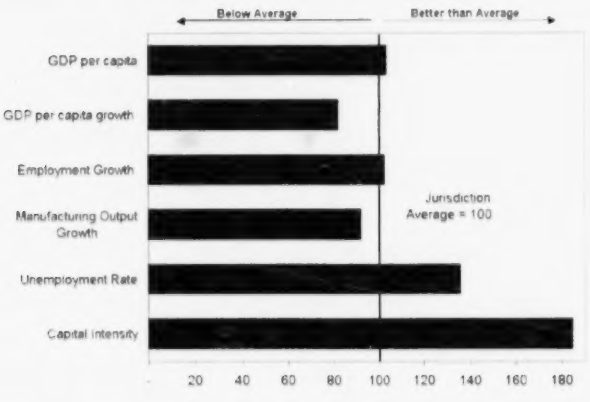
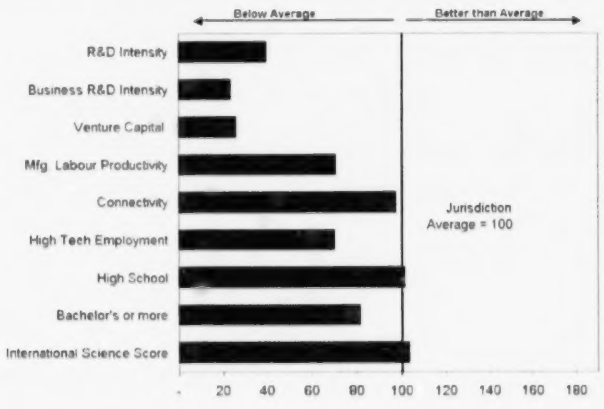


Chart 2: Innovation - more work to do . . .



In *Today's Opportunities, Tomorrow's Promise: A Strategic Plan for the Government of Alberta*, part of the government's vision is that Alberta in 2025 will be a place where:

> The economy shifts toward a knowledge-based approach, with research, technology development and value-added products having a much larger part in the province's prosperity.

In order to achieve this, the government will need to aggressively pursue the directions set out in the province's value-added strategy - *Securing Tomorrow's Prosperity*.

This business plan recognizes the risks and opportunities that Alberta is currently facing and outlines the goals and strategies that will mitigate the risks and capitalize on opportunities.

STRATEGIC PRIORITIES 2004-07

Through the Ministry's review of external and internal challenges, the strategic priorities described below have been identified. These are in addition to the important ongoing core activities of the Ministry.

1. Economic Development Strategy Cross-Ministry Initiative

Linkage:
Core Business 1, Goal 1

Economic Development provides leadership and intelligence to strengthen Alberta's economy, an economy capable of constantly innovating and creating higher value jobs, goods and services that will sustain our prosperity and quality of life. The *Economic Development Strategy* provides a framework to build upon existing government strategies such as the *Agriculture Growth Strategy* and *Agriculture Research and Innovation Strategy* (Agriculture, Food and Rural Development), the *Life Sciences Strategy* and *Energy Research Strategy* (Innovation and Science), *Prepared for Growth: Building Alberta's Labour Supply* (Human Resources and Employment) and *Securing Tomorrow's Prosperity* (Economic Development).

The *Economic Development Strategy* Cross-Ministry Initiative is championed with Agriculture Food and Rural Development, Innovation and Science and Human Resources and Employment. Economic Development also participates in the *Aboriginal Policy* and *Health Sustainability* Cross-Ministry Initiatives.

The following are two key components of the *Economic Development Strategy* Cross-Ministry Initiative.

Linkage:
Core Business 1, Goal 1
Core Business 2, Goals 3 and 4

Securing Tomorrow's Prosperity

Economic Development leads the value-added strategy, *Securing Tomorrow's Prosperity*, as a major part of the Cross-Ministry Initiative to support the development of a competitive value-added strategy for the province. The strategy is market driven and focused on four strategic directions, which include: enhancing Alberta's current competitive advantages; building Alberta's innovation system; growing and strengthening small and medium-sized enterprises; and focusing on priority value-added sectors. The strategy will serve to accelerate Alberta's continued transition to a broader, more diverse, innovative, knowledge-based and globally competitive economy.

Economic Development utilizes a sector team approach to promote investment and industry development and to work closely with industry clients, associations, and other agencies. We identify and address issues affecting sector growth, competitiveness and productivity in order to develop key industry marketing strategies.

Linkage:
Core Business 2, Goal 6

Rural and Regional Development

The *Rural Development Strategy*, led by Agriculture, Food and Rural Development with support from Economic Development, is a comprehensive approach to building a rural Alberta comprised of vibrant and sustainable communities.

2. Tourism

Linkage:
Core Business 3,
Goals 7 and 8

The Department continues to fund tourism marketing and encourages the growth and expansion of marketable tourism product. Economic Development facilitates the development and improvement of both private and public sector tourism products and assets in Alberta. Marketing priorities are established in the Strategic Tourism Marketing Council's three year Strategic Tourism Marketing Plan and Travel Alberta's marketing activities.

The Department funds tourism marketing through a tourism framework that markets Alberta as a "must see" destination for international visitors, domestic visitors and Albertans and leverages the impact and exposure offered by films produced in Alberta. Economic Development delivers marketing support services including a website - www.travelalberta.com, contact/distribution centres, and visitor information centres.

3. International Marketing and Representation

Linkage:
Core Business 2,
Goal 5

The Department works to expand Alberta's economy by taking advantage of the many international opportunities for Alberta goods and services. Our international marketing efforts seek to provide accurate information to our clients, within the appropriate timeframe, to assist them in making trade and investment decisions in response to international market opportunities. Economic Development strives to effectively integrate Alberta's business practices and policies with international business cultures.

In consultation with other ministries, Economic Development has prepared Alberta's International Marketing Strategy AIMS 2003 - Targeting Tomorrow, which articulates the sector opportunities, geographic markets, and sets out the government strategy to refine our international trade development and investment attraction activities.

CORE BUSINESSES, GOALS, STRATEGIES AND MEASURES

Core businesses set out the ongoing key responsibilities of the Ministry that support the mission and provide a framework for achieving results and allocating resources. Goals are the end results that the Ministry is trying to achieve. Key strategies are specific courses of action undertaken to accomplish the goals and are longer term in focus. Performance measures include both broad economic indicators (such as Gross Domestic Product) and more direct measures of the department's activities (such as client satisfaction), which provide information on progress toward accomplishing goals.

Economic Development's three Core Businesses are:

1) Strategic Economic Leadership and Business Intelligence
2) Industry and Regional Development, Trade Promotion and Investment Attraction
3) Tourism Marketing and Development

Core Business One: Strategic Economic Leadership and Business Intelligence

Economic Development provides strategic policy, planning and intelligence input to identify, assess, and provide options to address constraints to, and opportunities for, economic sustainability. Working with other government departments and agencies, such as AEDA, the Department coordinates and develops policy options, strategies and frameworks to facilitate the development of a stable, diversified, and competitive economy, including working with partner ministries on tax and royalty issues. Economic Development also strategically maps out and identifies market opportunities and sectors that make the greatest difference to Alberta's current and future economic performance.

GOAL ONE

Facilitate economic growth and diversification through collaborative strategic planning and policy development

What it means

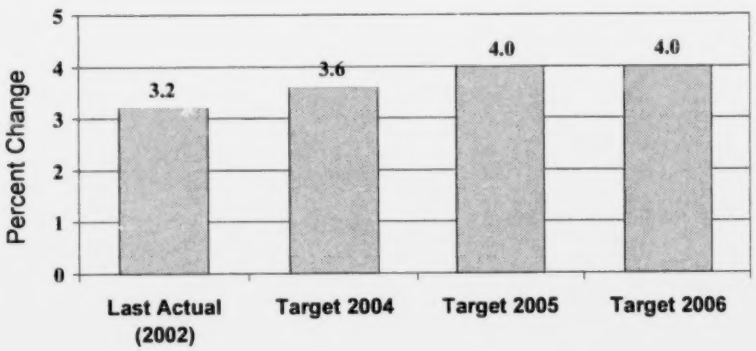
Economic Development monitors trends and issues that impact Alberta government policy and programs and sets a long-term strategic direction for Alberta's economic development by focusing government's overall efforts at maintaining and enhancing the Alberta Advantage.

Strategies

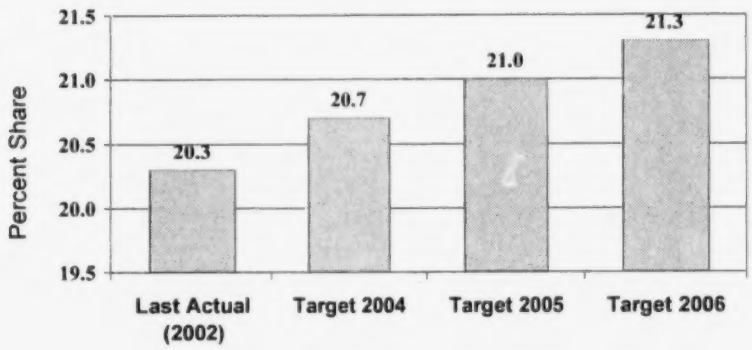
- Lead the implementation of the *Economic Development Strategy* Cross-Ministry Initiative and participate in other cross-ministry initiatives that influence the province's prosperity.
- Lead the implementation of *Securing Tomorrow's Prosperity* with other participating ministries to support the development of competitive value-added goods and services industries.
- Provide longer-term strategic input to the development of policy to support a sustainable and diversified economy in Alberta.
- Collaborate with AEDA to set out the key directions where targeted actions and strategies can produce the best return for Albertans.
- Provide the skills, processes, and technology to enhance the collection of information, creation of intelligence, management and sharing of knowledge within the Ministry, and to support strategic consultation with our clients.

Performance Measures

1. Percent Change in Gross Domestic Product - The constant-dollar GDP for Alberta (1997 dollars)



2. Share of GDP in Manufacturing and Business and Commercial Services (constant-dollars)



GOAL TWO

Provide client-driven economic and business information and intelligence

What it means

The Department is continually working to strengthen its strategic intelligence gathering and dissemination processes and capabilities to deliver timely and relevant information and intelligence to our clients.

Strategies

- Utilize Economic Development's network of international and regional offices, and business contacts, to provide business and economic information in a timely fashion to support our clients in their decision-making processes.
- Utilize Economic Development's Internet website, www.alberta-canada.com, in the dissemination of business information and intelligence.
- Utilize and expand the use of Economic Development's Electronic Business Intelligence Service in the dissemination of business intelligence and information to the Department's clients.
- Provide information and services that assist the development of small Alberta businesses through innovative means such as The Business Link and the Calgary Business Information Centre.

Performance Measures	Last Actual (2002-03)	Target 2004-05	Target 2005-06	Target 2006-07
3. Number of visits to the Web site www.alberta-canada.com	424,748	480,000	500,000	520,000
4. Percent of subscribers satisfied with Economic Development publications (biennial survey)	96	95	n/a	95

Core Business Two: Industry and Regional Development, Trade Promotion and Investment Attraction

Economic Development works with Alberta business clients to identify market opportunities for expansion, trade and industry development. The Department markets Alberta as an attractive destination for investment, film production, locating businesses, and attracting skilled workers in targeted sectors. The Ministry provides information to companies and individuals and assists them with services designed to attract them to the province.

Economic Development is also responsible for planning, organizing and coordinating Team Canada, Premier and Ministerial trade missions. The Ministry works closely with AEDA in identifying priority markets for future business missions.

GOAL THREE

Increase the growth and competitiveness of Alberta's value-added sectors

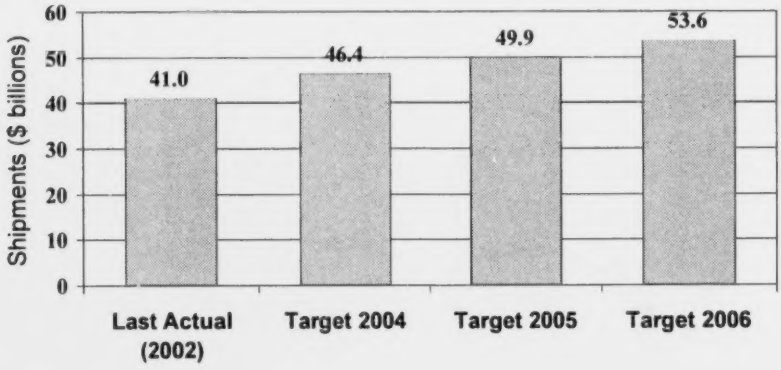
What it means The Department works to make Alberta globally competitive in priority sectors by promoting measures and initiatives to improve company innovation and productivity.

Strategies

- Facilitate industry growth and build market presence in Alberta's priority sectors through Economic Development's sector teams.
- Facilitate and encourage the development, acquisition and application of business improvement practices through:
  - Facilitating industry's access to technology commercialization and adoption programs, and
  - Assisting Alberta companies to match capabilities to market opportunities.
- Promote and facilitate partnerships, networks and alliances to expand capabilities and improve competitiveness.
- Support effective distribution of products and services to domestic and international markets through facilitating and sponsoring logistical and feasibility studies on cargo routes and facilities.
- Undertake initiatives to support industry innovation and productivity.

Performance Measure

5. Manufacturing Shipments - Total annual value of all manufacturing shipments by Alberta companies to other provinces, countries and within Alberta



GOAL FOUR

Increase exports of Alberta value-added goods and services

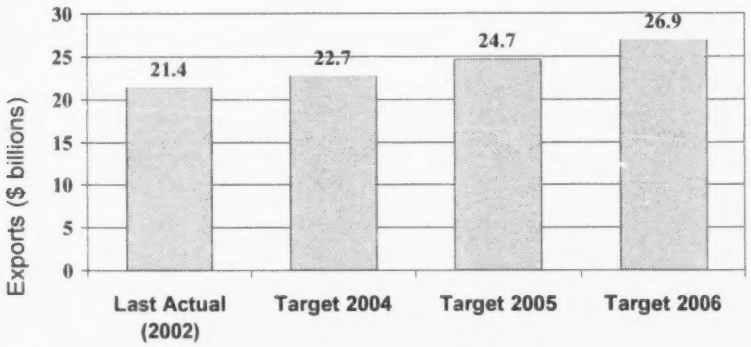
What it means The Department facilitates exports in manufactured products and professional, scientific, and technical services to target markets.

Strategies

- Provide strategic and competitive intelligence, market information, and knowledge to support companies in identifying and accessing market opportunities within global target markets.
- Encourage the development of capabilities, products, and services of export-ready Alberta businesses in international markets.
- Support market entry for Alberta exporters by showcasing Alberta abroad.
- Support Alberta companies pursuing capital projects financed by International Financial Institutions.
- Collaborate and partner with appropriate government agencies (federal, provincial and municipal) to effectively leverage ministry resources in assisting Alberta companies to increase their export trade capabilities.
- Reinforce market presence in industries where Alberta is internationally established, such as oil and gas and agri-food products, and enable market penetration of closely related sectors, such as engineering services or environmental goods and services.

Performance Measures

6. Manufacturing and Service Exports - The value of Alberta's international exports of manufactured goods and services



	Last Actual (2002-03)	Target 2004-05	Target 2005-06	Target 2006-07
7. Percent satisfied with support provided to outgoing trade shows and missions	n/a	90	90	90
8. Percent of client satisfaction with the services of international offices (biennial survey)	92.5	92.5	n/a	92.5

GOAL FIVE

Increase the awareness of Alberta to potential investors in our primary international markets

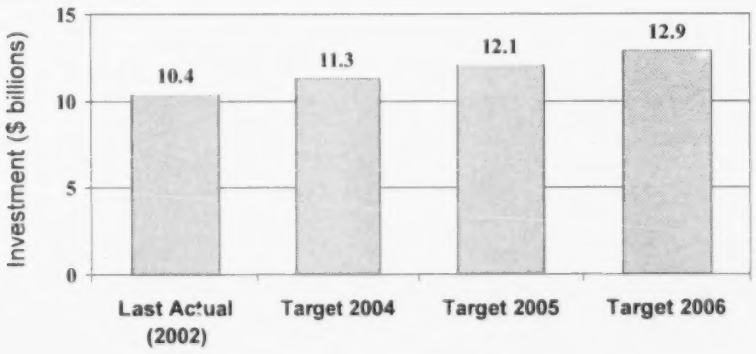
What it means The Department markets Alberta as an attractive destination for investment to targeted companies, capital investors, and economic immigrants (skilled workers and business entrepreneurs).

Strategies

- Market Alberta as a preferred location for new and expanded investment, such as multi-national enterprises with existing investment in Alberta, and companies with no existing investment in Alberta.
- Generate and service investment leads within targeted sectors and markets. Facilitate linkages between Alberta communities and investment leads.
- Increase the number of skilled workers through the Provincial Nominee Program and market Alberta as a destination for economic immigrants (skilled workers and business immigrants).
- Target and attract international decision makers to Alberta to source investment and trade opportunities with Alberta companies.
- Collaborate and partner with government agencies to effectively leverage ministry resources in assisting Alberta companies to source international investment and trade opportunities.
- Market and promote Alberta as an attractive location for film production and investment.

Performance Measure

9. Manufacturing and Service Industry Investment - The value of new capital expenditures on construction, machinery, and equipment in Alberta's manufacturing and service industries



GOAL SIX

Provide regional economic development support to Alberta communities

What it means Economic Development supports goal four of the *Rural Development Strategy* to ensure that rural Albertans contribute to and benefit from a diverse, sustainable and prosperous economy. The Ministry also contributes to the work of Regional Economic Development Alliances across Alberta.

Strategies

- Facilitate the Regional Economic Development Alliances, strengthen existing regional alliances throughout Alberta, and provide information and advice to other regional partnerships and project-specific initiatives in the major metropolitan regions.
- Strengthen community economic development capacity within Alberta through partnerships with the Economic Development Association of Alberta, Alberta First.com, and others.
- Encourage participation of Aboriginal communities in Regional Economic Development Alliances.
- Provide support for the Metis Nation of Alberta Association to implement their annual Economic Development and Tourism Workplan.

Performance Measures	Last Actual (2003)	Target 2004	Target 2005	Target 2006
10 Number of Alberta communities participating in regional economic alliances and partnerships	238	250	260	270
	Last Actual (2003-04)	**Target 2004-05**	**Target 2005-06**	**Target 2006-07**
11 Percent satisfied with Economic Development staff support to regional alliances	85	86	87	88

Core Business Three: Tourism Marketing and Development

The Department facilitates the development of the tourism industry and marketable tourism product by undertaking research, representing tourism industry interests in policy and planning initiatives and providing information to industry that helps to position new tourism products in Alberta.

Tourism marketing is delivered through the Strategic Tourism Marketing Council's three-year plan and the Travel Alberta Secretariat.

Facilitate the growth and expansion of marketable tourism product

What it means The Department facilitates the development of tourism products and the tourism industry.

Strategies

- Encourage a policy, regulatory and development approval framework that supports the growth of the tourism industry.
- In cooperation with Community Development, identify a wider range of uses within Provincial Parks/Recreation Areas to include certain types of tourism business opportunities compatible with the size and management intent of the land parcel and adjacent areas.

- Provide advisory services, expertise and information to existing tourism operators, start-up proponents and stakeholders to facilitate the development and improvement of Alberta's private and public sector tourism products and assets.
- Support the expansion of the tourism industry through development of new and enhanced destinations and products (including Canadian Badlands and development on Crown lands).

Performance Measure	Last Actual (2002-03)	Target 2004-05	Target 2005-06	Target 2006-07
12. Percent of clients satisfied with services related to tourism development (under development)	New		To be determined	

GOAL EIGHT

Increase tourism visitation from targeted Canadian and international tourism markets

What it means The Department, through Travel Alberta, develops and implements marketing programs that heighten awareness of Alberta as an attractive destination for tourism.

Strategies

- Develop and partner marketing programs in Alberta, domestically and internationally, through Travel Alberta that support the Strategic Tourism Marketing Plan developed by the Strategic Tourism Marketing Council.
- Deliver value-added support services to the tourism industry through:
  - Dissemination of tourism information;
  - Travel counseling and influencing travel behavior;
  - Training and product knowledge support for contact centre and visitor information centre staff;
  - Providing tourism research and images;
  - Maintaining and enhancing an effective, customer-focused Alberta tourism website, and
  - Supporting the development of publications and website content.

Performance Measures	Last Actual (2002)	Target 2004	Target 2005	Target 2006
13. Total tourism revenue ($ billions)[1]	5.4[2]	5.3	5.7	5.9
14. Tourism Industry Leveraging - Industry partners' contribution to product marketing with Travel Alberta				
• In-Province Leveraging Ratio	1.7:1	1.7:1	1.7:1	1.7:1
• National/ International Leveraging Ratio[3]	4.1:1	2.7:1	2.7:1	2.7:1

1 The annual value of all tourism industry revenues in Alberta. This includes expenditures made in Alberta by visitors from overseas, the United States, other Canadian provinces, and residents of Alberta.

2 Due to a change in methodology implemented by Statistics Canada in the 2002 Canadian Travel Survey, it was determined that domestic spending had been significantly under-reported prior to 2002, resulting in a robust upward revision in total tourism revenue in 2002. Consequently, estimates and targets for the period 2003-06 are based on the total of $5.4 billion in 2002.

3 The higher leverage ratio in 2002 is due to increased partner participation and contribution in response to various global situations inc .ding terrorist activities, SARS, and economic downturn in many of our primary markets.

Performance Measures (continued)	Last Actual (2002)	Target 2004	Target 2005	Target 2006
15. Dissemination of Tourism Information - Volume of information requests by telephone, facsimile, mail, e-mail, and website inquiries.				
• contact centre telephone enquiries handled	74,004	60,000	65,000	65,000
• other methods of contact	64,644	85,000	90,000	95,000
• Number of visitors to www.travelalberta.com	880,895	1,500,000	1,500,000	1,500,000
16. Number of tourism information packages distributed	91,699	105,000	115,000	120,000
17. Percent of clients satisfied with Visitor Information Centres overall	98	98	98	98

CORPORATE SERVICES

The Ministry's core businesses are enabled by an infrastructure of essential services that support department staff and business processes. Corporate services include strategic intelligence and knowledge management, strategic planning, information management, information technology, finance, human resources, communications, and administrative services. Some activities that will be undertaken include:

- Provide the skills, processes and technology to enhance the compilation of information, creation of intelligence, management and sharing of knowledge within the Ministry, and to support strategic consultation with our clients.
- Provide reliable, secure information technology service to meet the business needs of the Ministry, including the international offices, and during employee travel;
- Provide comprehensive human resource programs and affect cultural changes to ensure the availability of people with the skills the Ministry requires to achieve current and future organizational and business plan goals;
- Implement the Ministry's performance measurement framework;
- Maintain, update and exercise a business resumption plan to ensure timely continuation of essential ministry business activities and functions in the event of a major disruption affecting ministry operations;
- Ensure that the implementation of the Ministry's information technology is aligned with government-wide standards and architectural direction, and
- Provide accurate and timely financial information to meet the needs of the Ministry and reporting requirements of legislation, as well as ensuring proper controls are in place to safeguard the Ministry's assets.

SECTOR TEAMS

Sector teams were developed to focus on opportunities for sector growth and development and to resolve issues within the sector that fall within the economic development mandate. Sector teams provide advice to the Department and partner ministries, into the dynamics of the sector and outline the role that government can play in stimulating growth and developing policy. Sector teams champion key initiatives to facilitate trade and export development, investment attraction and industry competitiveness.

Key Partners may include industry associations, private sector firms, other sector teams, other Alberta government ministries, federal government departments/agencies, and/or regional alliances.

SECTOR TEAM	MANDATE/OBJECTIVE
Architecture/Engineering/ Construction (AEC)	Partner with AEC industry and related associations to help develop, diversify and organize the sector to successfully compete globally, create wealth and sustain their key position in the Alberta economy, minimize impediments to growth and maximize the spin-off economic benefits to other sectors from AEC industry activities.
Aerospace and Aviation	Sustain and grow existing capacities of Alberta's aerospace and defense industry, and nurture new aerospace capabilities by facilitating the growth of niche sectors such as Remote Vehicle Technology.
Agri-food	To increase trade and investment of Alberta agriculture and value-added agri-food products, diversify the products and markets, and provide strategic market intelligence to the industry.
Building Products	To help Alberta companies grow and become globally competitive through attracting investment and increasing local capabilities.
Petrochemicals	Secure funding for investment in upgraders, refineries, petrochemical plants, electricity and small/niche manufacturing.
Environmental Products and Service	To increase exports and enhance the competitiveness of Alberta's environmental industry through strategic intelligence and collaborative promotional initiatives. To explore the use of technology to further advance the growth and development potential of Alberta's environmental industry.
Health and Bio-Industries (HABIT)	In cooperation with industry and other stakeholders, HABIT will provide advice, support and services to Health and Bio Industries in Alberta to assess and enhance sector capabilities and competitiveness and increase domestic and international market penetration.
Information and Communications Technologies (ICT)	To advance the growth and international competitiveness of Alberta's ICT sector with a key objective: to establish Alberta as a global leader in specialized wireless applications, products and services.
Industrial Machinery and Equipment	To foster the development of world class, competitive skills and capabilities in the oil and gas sector.
Tourism	Increase tourism visitation and spending through: enhancing existing tourism products; creating new products and destinations, and providing tourism product and market information to decision makers.

EXPENSE BY CORE BUSINESS

(thousands of dollars)

	Comparable 2002-03 Actual	Comparable 2003-04 Budget	Comparable 2003-04 Forecast	2004-05 Estimates	2005-06 Target	2006-07 Target
Strategic Economic Leadership and Business Intelligence	7,341	7,226	7,187	7,271	7,271	7,271
Industry and Regional Development, Trade Promotion and Investment Attraction	22,849	23,655	27,309	24,112	24,112	24,112
Tourism Marketing and Development	25,043	24,053	23,923	26,126	26,126	26,126
MINISTRY EXPENSE	55,233	54,934	58,419	57,509	57,509	57,509

MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable 2002-03 Actual	Comparable 2003-04 Budget	Comparable 2003-04 Forecast	2004-05 Estimates	2005-06 Target	2006-07 Target
REVENUE						
Internal Government Transfers	14,100	14,100	14,100	14,100	14,100	14,100
Transfers from Government of Canada	22	-	-	-	-	-
Other Revenue	211	150	50	100	100	100
MINISTRY REVENUE	14,333	14,250	14,150	14,200	14,200	14,200
EXPENSE						
Program						
Ministry Support Services	4,010	4,357	4,342	4,263	4,263	4,263
Industry and Regional Development, Trade and Investment	21,094	21,779	25,279	22,325	22,325	22,325
Tourism Marketing and Development	23,120	22,145	22,145	24,189	24,189	24,189
Strategic Economic Leadership and Business Intelligence	6,777	6,653	6,653	6,732	6,732	6,732
Valuation Adjustments and Other Provisions	232	-	-	-	-	-
MINISTRY EXPENSE	55,233	54,934	58,419	57,509	57,509	57,509
Gain (Loss) on Disposal and Write Down of Capital Assets	(26)	-	-	-	-	-
NET OPERATING RESULT	(40,926)	(40,684)	(44,269)	(43,309)	(43,309)	(43,309)

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable 2002-03 Actual	Comparable 2003-04 Budget	Comparable 2003-04 Forecast	2004-05 Estimates	2005-06 Target	2006-07 Target
Ministry Revenue	14,333	14,250	14,150	14,200	14,200	14,200
Inter-ministry consolidation adjustments	(14,100)	(14,100)	(14,100)	(14,100)	(14,100)	(14,100)
Consolidated Revenue	233	150	50	100	100	100
Ministry Program Expense	55,233	54,934	58,419	57,509	57,509	57,509
Inter-ministry consolidation adjustments	-	-	-	-	-	-
Consolidated Program Expense	**55,233**	**54,934**	**58,419**	**57,509**	**57,509**	**57,509**
Gain (Loss) on Disposal and Write Down of Capital Assets	(26)	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(55,026)	(54,784)	(58,369)	(57,409)	(57,409)	(57,409)

2004-05 Economic Development Strategy – Cross-ministry Initiative

A collaborative approach to maximizing the Alberta Advantage was initiated in 2000-01 when the Alberta government's new economic development strategy, *Get Ready Alberta – Strengthening the Alberta Advantage,* was first named a priority policy cross-ministry initiative. The strategy has continued to evolve and has remained a priority cross ministry initiative capturing specific pressing issues requiring a collaborative approach such as innovation, regional economic development and labour force supply and skills.

In recognizing the province's current strengths, anticipating changes and identifying broad strategic directions to capitalize on future opportunities, the Economic Development Strategy as a cross ministry initiative provides a framework to inform business planning activities from a broader more integrated perspective. The strategy supports Goal 7 of the *Government of Alberta Business Plan* – "Alberta will have a prosperous economy".

The Economic Development Strategy also supports "Today's Opportunities, Tomorrow's Promise: A strategic plan for the Government of Alberta". It recognizes that sustaining the performance of Alberta's economy is not an end in itself but the means by which a province is built, where all citizens have the opportunity to contribute and share in the *Alberta Advantage*. To achieve this, we must create a larger, more sustainable and more broadly based economy than we have today. Without this change in economic strategy, Alberta's economy will remain reliant on resources and fluctuating commodity prices, and it will grow at a slower rate.

Alberta's 2004-2005 Economic Development Strategy has three objectives:

- To achieve a more sustainable, broadly based economy built on the strengths of our natural and human resources.
- To build a rural Alberta that has vibrant and sustainable communities.
- To ensure a sufficient supply of human capital to meet Alberta's economic growth.

All of the objectives build on the value-added strategy Securing Tomorrow's Prosperity. Securing Tomorrow's Prosperity fits within the long-range *Government of Alberta Strategic Business Plan* and is the "Prosperity" cornerstone to achieve the economic components of the plan. The second objective also encourages rural partnerships and regional cooperation as a driving force for rural growth and sustainability.

2004-05 CROSS-MINISTRY INITIATIVE

ECONOMIC DEVELOPMENT STRATEGY

PURPOSE: A future of opportunity in a province that's unmatched through ministries working together with business, industry, communities, other governments and public institutions, employees and other stakeholders.

RELATED GOVERNMENT BUSINESS PLAN GOALS:

Goal 7 – Alberta will have a prosperous economy.
Goal 2 – Albertans will be well prepared for lifelong learning and work.

MINISTRY CHAMPIONS:

Economic Development, Agriculture Food & Rural Development, Human Resources and Employment, Innovation and Science

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Objective 1: *To achieve a more sustainable, broadly based economy built on the strengths of our natural and human resources.*

Strategies: Implement the value-added strategy, Securing Tomorrow's Prosperity, through collaboration with various stakeholders:

- Enhance Alberta's competitive advantages.
- Build Alberta's innovation system.
- Grow and strengthen small and medium size enterprises.
- Focus on priority value-added sectors.

Targets:

- Create 45,000 net new jobs in 2004
- 10.8% investment in machinery and equipment as a percent of GDP.
- 2.1% increase in manufacturing GDP per hour worked.
- $1.9 billion increase in manufacturing and service exports to $22.7 billion.
- 20.7% share of GDP in manufacturing and business and commercial services.
- Increase investment in sponsored research from all sources at Alberta universities to $492 million.
- 84% of the North-South trade corridor (BC border west of Grande Prairie to Coutts) is open to four-lane traffic.
- $300 million increase in tourism revenues to $5.3 billion in 2004

Objective 2: *To build a rural Alberta that has vibrant and sustainable communities.*

Strategies:

- Work collaboratively to implement the Rural Development Framework.
- Provide a catalyst to develop and motivate locally-based leadership and development skills.
- Implement a collaborative approach to regional economic development.
- Actively participate in watershed management on a provincial, regional and community basis.
- Support the development of a competitive telecommunications environment in rural Alberta through the implementation of Alberta Supernet and develop a plan to provide access to users outside rural communities.
- Ensure rural Albertans have access to high quality learning opportunities.
- Facilitate the development of a viable energy from bio-mass industry for the benefit of rural Alberta.

Targets:

- Develop baseline data on the satisfaction of rural Albertans with regards to health, education, economic development, community infrastructure and other elements of sustainability.
- Develop an arrangement with federal and provincial partners to deliver the Agriculture Enterprise Program under the Agricultural Policy Framework agreement.
- 8 significant regional economic development projects in rural Alberta benefit from cross ministry support

- Establish watershed planning and advisory councils for the Milk, Oldman, Bow, Red Deer, Battle, North Saskatchewan, Cold Lake – Beaver River, and Slave Lake watersheds.
- Alberta SuperNet will be available to 422 communities and 4656 schools, hospitals, libraries and provincial buildings.
- 33% of adult Albertans in rural areas, aged 17+, participate in education or training.
- An Alberta bio-strategy is developed to identify new bio-mass energy project opportunities, and a minimum of 3 projects successfully operating in Alberta by the end of 2004.

Objective 3: *To ensure a sufficient supply of human capital to meet Alberta's economic growth.*

Strategies:

- Continue to develop and implement new actions identified in *Prepared for Growth: Building Alberta's Labour Supply*, to increase the skill and knowledge level of Albertans, the mobility of labour within Canada, and the number of immigrants to Alberta.

Targets:

- Increase support to the Aboriginal off-reserve labour statistics study.
- Percentage of participants who indicate their training helped prepare them for future employment (under development)
- 90%+ of Albertans aged 25-34 have completed high school.
- 60% of Albertans aged 25-34 have a post-secondary education.
- The labour force participation rate remains the highest among all provinces in Canada.
- Total net migration to Alberta remains the highest among all provinces in Canada.
- Employer agreement that the learning system provides an adequate supply of graduates: (available in 2004).